

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA



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Application of Pacific Gas and Electric Company for  
Approval of the Retirement of Diablo Canyon Power  
Plant, Implementation of the Joint Proposal, And  
Recovery of Associated Costs Through Proposed  
Ratemaking Mechanisms. (U 39 E)

Application 16-08-006  
(Filed August 11, 2016)

**COMVERGE, INC., CPOWER, ENERNOC, INC., AND ENERGYHUB  
("JOINT DR PARTIES") RESPONSE TO APPLICATION 16-08-006**

**David P. Lowrey**  
**Director, Regulatory Strategy**  
**Comverge, Inc.**  
999 - 18<sup>th</sup> Street, Suite 2300  
Denver, CO 80202  
Telephone: 626-260-2698  
Email: [dlowrey@comverge.com](mailto:dlowrey@comverge.com)

**Jennifer A. Chamberlin**  
**Executive Director, Market Development |CAISO**  
**CPower**  
2633 Wellington Court  
Clyde, CA 94520  
Telephone: 925-332-5960  
Emails: [JAC@CPowerEnergyManagement.com](mailto:JAC@CPowerEnergyManagement.com)

**Melanie Gillette**  
**Director, Regulatory Affairs**  
**EnerNOC, Inc.**  
115 Hazelmere Drive  
Folsom, CA 95630  
Telephone: 916-671-2456  
Email: [mgillette@enernoc.com](mailto:mgillette@enernoc.com)

**Erika Diamond**  
**EnergyHub**  
232 3<sup>rd</sup> Street, Suite 201  
Brooklyn, NY 11215  
Telephone: 718-522-7051  
Email: [diamond@energyhub.net](mailto:diamond@energyhub.net)

**Sara Steck Myers**  
**Attorney at Law**  
122 - 28th Avenue  
San Francisco, CA 94121  
Telephone: 415-387-1904  
Facsimile: 415-387-4708  
Email: [ssmyers@att.net](mailto:ssmyers@att.net)

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("JOINT DR PARTIES") RESPONSE TO APPLICATION 16-08-006**

Comverge, Inc., CPower, EnerNOC, Inc., and EnergyHub (hereinafter "Joint DR Parties") respectfully file this Response to Application (A.) 16-08-006, Pacific Gas and Electric Company's (PG&E's) application for approval of the retirement of Diablo Canyon Power Plant (Diablo Canyon), implementation of the Joint Proposal (Attachment A), and recovery of associated costs through proposed ratemaking mechanisms (Application). This Response is timely filed and served pursuant to Rule 2.6 of the Commission's Rules of Practice and Procedure.<sup>1</sup>

**I.  
SUMMARY**

Rule 2.6 of the Commission's Rules of Practice and Procedure allow parties to either protest or respond to an application. A "protest" objects to the granting, in whole or in part, of the authority sought in an application; a "response" does not object to that authority, but does "present information that the person tendering the response believes would be useful to the Commission in acting on the application."<sup>2</sup>

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<sup>1</sup> Rule 2.6(a) provides that responses to applications "must be filed within 30 days of the date of the notice of the filing of the application first appears in the Daily Calendar." Notice of the filing of A.16-08-006 was noticed in the Daily Calendar dated August 16, 2016.

<sup>2</sup> Commission Rules of Practice and Procedure, Rule 2.6(b) and (c).

By this Response, the Joint DR Parties do not, at this point, contest PG&E's authority to seek the relief requested in A.16-08-006. The Joint DR Parties also support the replacement of energy produced by Diablo Canyon upon its retirement with "GHG [greenhouse gas]-free energy resources."<sup>3</sup> However, in reviewing the replacement resource "Tranches" and timely recommended by the Joint Proposal and included in A.16-08-006, the Joint DR Parties believe that they are deficient for failing to include a key GHG-free, Loading Order "preferred resource," namely, Demand Response (DR). For this reason, the Joint DR Parties believe that participation in this Application is required to ensure that *all* GHG-free resources, including DR, are fairly and equally treated and considered in replacing energy produced by Diablo Canyon, and asks that specific issues on that point be considered and included within the scope of this application.

## **II. EFFECT OF THE APPLICATION ON THE JOINT DR PARTIES**

The Joint DR Parties are companies that provide Demand Response (DR) resources and currently aggregate residential, commercial and industrial customers to participate in a significant number of DR programs managed by grid operators across the country. In California, the Joint DR Parties participate in DR programs offered by the Investor-Owned Utilities (IOUs), including Pacific Gas and Electric Company (PG&E) and include the following companies:

- **Comverge, Inc.** Comverge is an industry leading provider of integrated cloud-based demand-response, energy-efficiency and customer-engagement solutions that enable electric utilities to ensure grid reliability, lower energy costs, meet regulatory demands, and enhance the customer experience. Through its combination of software, hardware, and services, Comverge helps utilities optimize the management of every aspect of an energy management program, from participant recruitment and device installation to call center support, control events, and measurement and verification. Comverge has worked with hundreds of electric utilities to deploy nearly six million energy management controls and

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<sup>3</sup> A.16-08-006, at p. 2.

enroll more than two million residential customers into mass-market demand management programs.

- **CPower:** Enerwise Global Technologies, Inc., D/B/A CPower (CPower) is an energy management company with 25+ years of knowledge and experience in helping customers implement intelligent energy management programs in each of the country's open energy markets. A pioneer of Demand Response, CPower creates optimized energy management strategies that help businesses streamline their energy usage, offset costs through Demand Response participation and reach their sustainability goals. CPower currently aggregates commercial and industrial (C&I) customers to participate in every major DR program managed by IOUs and independent system operators (ISOs) across the country, including California.
- **EnerNOC, Inc.** (NASDAQ: ENOC) is a publicly traded corporation that is a leading developer and provider of clean and intelligent power solutions to commercial, institutional, and industrial customers, as well as electric power grid operators and utilities. EnerNOC's technology-enabled demand response and energy management solutions help optimize the balance of electric supply and demand. EnerNOC provides dispatchable capacity reductions and energy management services across the United States, as well as in Canada, Australia, New Zealand, Europe, Korea, and the United Kingdom.
- **EnergyHub, Inc.** is a connected home solution for utilities and organized energy markets, aggregating tens of thousands of residential customers to participate in demand response programs across the country. EnergyHub's mission is to ensure that utilities and markets get maximum value out of connected devices and the smart home. EnergyHub's industry-leading Bring Your Own Thermostat® (BYOT) demand response service helps utilities and markets take advantage of customer-installed devices to rapidly launch and scale a load control program. EnergyHub is an independent subsidiary of [Alarm.com](http://Alarm.com) (NASDAQ: ALRM), the leading technology provider of connected home solutions.

Each of the Joint DR Parties has actively participated individually and jointly in Commission proceedings focused on IOU (i.e., PG&E) DR programs. Currently, those proceedings include, among others, R.13-09-011 (DR), R.14-10-003 (Integrated Distribution

Energy Resources (IDER)), R.14-08-013, et al. (Distribution Resource Plans (DRP)), and R.14-10-010 (Resource Adequacy (RA)).

Given both the involvement and expertise of the Joint DR Parties in the DR market in California, the Joint DR Parties intend to bring their unique perspective and experience to active participation in this Application (A.16-08-006). Each of the companies that participate as the Joint DR Parties also reserve the right to offer individual positions where a joint recommendation is not reached, and, therefore, also request inclusion of each company as a party to A.16-08-006 pursuant to Rule 1.4(a)(2)(i), as discussed in Section V. below.

### **III. RESPONSE TO APPLICATION AND ISSUES TO BE CONSIDERED**

Pursuant to Rule 2.6(c), the Joint DR Parties offer this response to identify certain concerns and issues that should be addressed and resolved in a Commission decision on the Application. Given the exclusive emphasis on 2,000 GWh of procurement of energy efficiency alone in Tranche #1, and the significant delay before a competitive solicitation for 2,000 GWh from “other GHG-free energy resources” in Tranche #2,<sup>4</sup> the Joint DR Parties believe that this proposal raises the following issues that should be addressed and resolved in a final decision on this Application:

1. Was consideration given for the inclusion of Demand Response, the Loading Order “preferred resource” co-equal with energy efficiency, for the Tranche #1 procurement?
2. What assumptions from the defaulting of residential customers to time-of-use pricing were incorporated into the Joint Proposal needs scenarios?

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<sup>4</sup> A.16-08-006, at p. 9.

3. Will Demand Response, an eligible energy resource in the California Independent System Operator (CAISO) market, be considered an eligible energy resource for Tranche #2 procurement?
4. What other procurement options, other than the “Tranches” spread over 15 years, were considered for replacing the energy produced by Diablo Canyon, and what, if any, consideration was given to the Integrated Resource Planning process and procurement requirements of Senate Bill 350 in developing the “Tranches”?

#### **IV. PROPOSED CATEGORY FOR APPLICATION, NEED FOR HEARING, AND PROPOSED SCHEDULE**

Rule 2.6(d) also gives parties protesting or responding to an application the opportunity to provide comments or objections “regarding the applicant’s statement on the proposed category, need for hearing, issues to be considered, and proposed schedule.” To begin with, the Joint DR Parties ask that the issues identified in Section III. above be included among the “issues to be considered” in this application. In addition, the Joint DR Parties agree with PG&E that this application should be categorized as “ratesetting,”<sup>5</sup> but also believe that evidentiary hearings may be required to resolve material disputed issues of fact. The Joint DR Parties also ask that any schedule adopted by the Commission for this Application allow for sufficient time for discovery and submission of intervenor testimony, especially given the complex requests and proposals contained in the Application.

#### **V. CONFIRMATION OF PARTY STATUS**

Pursuant to Rule 1.4(a)(2)(i), “a person may become a party to a proceeding” by filing “a protest or response to an application.” By filing this Response and pursuant to Rule 1.4(a)(2)(i),

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<sup>5</sup> A.16-08-006, at p. 15.

each of the Joint DR Parties request “party status” and inclusion on the service list of A.16-08-016 as a party as follows:

**David P. Lowrey**  
**Director, Regulatory Strategy**  
**Comverge, Inc.**  
999 - 18<sup>th</sup> Street, Suite 2300  
Denver, CO 80202  
Telephone: 626-260-2698  
Email: [dlowrey@comverge.com](mailto:dlowrey@comverge.com)

**Melanie Gillette**  
**Director, Regulatory Affairs**  
**EnerNOC, Inc.**  
115 Hazelmere Drive  
Folsom, CA 95630  
Telephone: 916-671-2456  
Email: [mgillette@enernoc.com](mailto:mgillette@enernoc.com)

**Jennifer A. Chamberlin**  
**Executive Director, Market Development |CAISO**  
**CPower**  
2633 Wellington Court  
Clyde, CA 94520  
Telephone: 925-332-5960  
Emails: [JAC@CPowerEnergyManagement.com](mailto:JAC@CPowerEnergyManagement.com)

**Erika Diamond**  
**EnergyHub**  
232 3<sup>rd</sup> Street, Suite 201  
Brooklyn, NY 11215  
Telephone: 718-522-7051  
Email: [diamond@energyhub.net](mailto:diamond@energyhub.net)

Respectfully submitted:

September 15, 2016

/ s/ SARA STECK MYERS  
**Sara Steck Myers**  
**On Behalf of the Joint DR Parties**

Sara Steck Myers  
Law Offices of Sara Steck Myers  
122 - 28th Avenue  
San Francisco, CA 94121  
Telephone: 415-387-1904  
Facsimile: 415-387-4708  
Emails: [ssmyers@att.net](mailto:ssmyers@att.net)

**David P. Lowrey**  
**Director, Regulatory Strategy**  
**Comverge, Inc.**  
999 - 18<sup>th</sup> Street, Suite 2300  
Denver, CO 80202  
Telephone: 626-260-2698  
Email: [dlowrey@comverge.com](mailto:dlowrey@comverge.com)

**Jennifer A. Chamberlin**  
**Executive Director, Market Development |CAISO**  
**CPower**  
2633 Wellington Court  
Clyde, CA 94520  
Telephone: 925-332-5960  
Emails: [JAC@CPowerEnergyManagement.com](mailto:JAC@CPowerEnergyManagement.com)

**AND**



**Melanie Gillette**  
**Director, Regulatory Affairs**  
**EnerNOC, Inc.**  
115 Hazelmere Drive  
Folsom, CA 95630  
Telephone: 916-671-2456  
Email: [mgillette@enernoc.com](mailto:mgillette@enernoc.com)

**Erika Diamond**  
**EnergyHub**  
232 3<sup>rd</sup> Street, Suite 201  
Brooklyn, NY 11215  
Telephone: 718-522-7051  
Email: [diamond@energyhub.net](mailto:diamond@energyhub.net)